**Speech of Shri Jagjivan Ram**
**Introducing the Railway Budget**
**for 1962-63, on 13th March, 1962.**

Mr. Speaker,

Sir, I rise to place before the House the annual financial statement in respect of the Railways showing the estimated receipts and expenditure for the year 1962-63.

2. The Honourable Members are aware that the voting of the Demands for Grants for the year 1962-63, as a whole, is being left to the new Parliament which will shortly meet. I propose, therefore, to ask this House to vote only such supplies as may be necessary for meeting the estimated expenditure for the first three months of the coming financial year. As is done, however, in such years, the financial statement has been prepared so as to incorporate the estimates for the whole year as foreseen at present, on existing rates and fares and on the present costs. This picture for the entire year is given so as to facilitate, as far as possible, the grant of proportionate supplies for the first three months. Following the precedents in 1952-53 and 1957-58, a White Paper is being circulated with the budget documents, which gives a resume of the activities and achievements of the Railways in the recent years-more or less synchronising with the period, since 1951, of planned development of the country-and covering most of the subjects normally mentioned in the budget speech. I shall, therefore, refer briefly to only a few of the important points bearing on the finances of the railways and their operation and administration.

3. It is usual to touch upon the financial position during the last completed year and current year and also indicate the financial results expected in the coming year. During the year 1960-61, which is the latest year for which the complete accounts are available, the revenue surplus was Rs. 32.01 crores. The increase of Rs. 17.98 crores in surplus over the Revised Estimate anticipation, was due to (i) a fortuitous element of Rs. 1.7 crores on account of more staff than anticipated opting for the pensionary scheme of retirement benefits in lieu of the State Railway Provident Fund Scheme by which they were previously governed; this resulted in a larger quantum of Government contribution in the State Railway Provident Fund Account reverting to Government as a credit, (ii) reduced expenditure on works chargeable to Revenue, to the extent of about Rs. 3.33 crores, and (iii) reduction in the Ordinary Revenue Expenses due to a variety of reasons, such as the effect of economy measures to an even greater extent than could be assessed when framing the Revised Estimates and the unavoidable carry-forward, into 1961-62, of some payments resulting from the adoption of authorised scales based on the Pay Commission's recommendations, etc. The entire amount of the Surplus, as in previous years, was credited to the Development Fund. It is, necessary, however, to remember that this surplus of Rs. 32.01 crores pertains to the year 1960-61, when the annual contribution to the Depreciation Reserve Fund from Railway Revenues was still only Rs.45 crores and the rate of dividend to General Revenues was only 4 per cent. The increase in the appropriation to Depreciation Reserve Fund to an average annual figure of Rs. 70 crores and the increase in the rate of dividend to 4.25 per cent-based on the accepted recommendations of the Parliamentary Railway Convention Committee, 1960 -take effect only from the beginning of 1961-62.

4. In the current year, 1961-62, the Revised Estimates of Gross Traffic Receipts have been placed at Rs. 501.24 crores Rs. 2.22 crores more than the Budget the increase being largely under earnings from passenger and other coaching traffic and sundry earnings, more than old setting the reduction in goods earnings. During this year, goods traffic, as measured in originating tons, is expected to increase by about 8 million tons over the level reached in 1960-61. Compared with what was anticipated, there is likely to be a short fall of about 3 million tons in the traffic to and from the Steel plants, requirements of which have not increased as fast as was expected. Another million tons of traffic will be lost due to a decrease in the indents for loading coal in the Central India Coalfields on account of fire, lasting almost throughout the year, in the Kurasia colliery, which used to load more than a million tons of coal per year. The heavy emergency movements during the month of December, 1961, caused a serious dislocation in train movements, resulting in a considerable fall in the loading of goods traffic; it is estimated that the shortfall on this account would be about 3 million tons. Under working expenses, the Revised Estimates show a net decrease, compared to Budget, of Rs. 2.14 crores. After the contribution to the Depreciation Reserve Fund of Rs. 65 crores, and with the variations under miscellaneous expenses and under the amount of Dividend payable to General Revenues, the surplus creditable to Development Fund, is now expected to be Rs. 16.48 crores, against a Budget Estimate of Rs. 8.64 crores. Even this increased surplus cannot be regarded as satisfactory in relation to an average annual expenditure, in the Third Plan, of about Rs. 23 crores on works chargeable to the Development Fund. It should be remembered that this Fund is built up entirely from the annual Railway surpluses.

5. Turning now to the estimates of the Budget Year (1962-63), the total Gross Traffic Receipts have been placed tentatively, at this stage, at Rs. 524.10 crores. In framing these estimates; only a slight increase has been allowed for under passenger traffic, as there is little likelihood of a further large increase in passenger traffic next year, considering the very large increase in this traffic which has already accrued in the current year. An increase in goods traffic, of roughly 15 million originating tons more than during 1961-62, has been provided for, keeping in view the targets of the Third Plan. Revenue Working Expenses are expected to increase by about Rs. 15.21 crores over the current year's figure, of which increase, about Rs. 8 crores are due to the increased cost of operation corresponding to the anticipated increase in the level of passenger and goods traffic, about Rs. 5 crores due to more repairs and maintenance of assets, including Rolling Stock, as a result of year to year increase in the volume of the assets and of their use, about Rs. 1.6 crores due to the assumption of "Common Carrier Liability" over the whole of 1962-63 as compared to three months of 1961-62, and about Rs. 0.4 crore due to a full year's effect of the recent increases in the price of coal including that from 29th December 1961 which operates for only three months of the current year, as also the increase in excise duty. Notwithstanding these increases in working costs in 1962-63, the net receipts will improve over 1961-62. Taking the figures before. payment of contribution from Revenue to the Depreciation Reserve Fund and payments to the General Revenues on account of dividend on Capital and in lieu of passenger fare tax, the net receipts are expected to increase from Rs. 157.18 crores in 1961-62, to Rs. 162.01 crores in 1962-63. On the other hand, the appropriation to Depreciation Reserve Fund will increase from Rs. 65 crores in 1961-62, to Rs. 67 crores in 1962-63, in accordance with the recommendations of the 1960 Convention Committee. The Dividend to General Revenues is expected to increase to Rs. 69.35 crores, against Rs. 63.20 crores in the current year. In the result, the Surplus will be about Rs. 13.16 crores, which is proposed to be credited entirely to the Development Fund. This will be very much short of the expenditure that will have to be incurred in 1962-63 on works chargeable to the Fund. Unless the Railway resources are augmented, a temporary loan from General Revenues of such magnitude as will be able to finance the Fund, will be unavoidable.

6. Coming to the Works, Rolling Stock and Machinery Budget, the Railways' Revised Estimate for the current year is Rs. 264.68 crores, against the sum of Rs. 260 crores originally provided, or an increase of Rs. 4.68 crores over the Budget, in expectation of speedier execution of Plan works. The additional provision is being covered by Supplementary Demands. The Budget for the Rolling Stock, Works and Machinery Programme for the coming year, 1962-63, is placed at Rs. 295 crores, and takes into account increased expenditure on account Of important works which are to be carried out and procurement, especially of rolling stock, that will have to be made, in the second and third years of the Third Plan period in order that the targets of the Plan can be achieved. Details of the provision of Rs. 295 crores are given in the relevant portion of the Explanatory Memorandum on the Budget.

7. I would invite the attention of the Hon. Members to the introductory note to the White Paper, which brings out the phenomenal expansion in rail capacity and the achievements of the Railways during the last decade or so-in the First and Second Five Year Plans, as well as the Railways' programme in the Third Plan. In my last Budget Speech, I referred to the tentative allocation for the Railways' Third Five Year Plan, of Rs. 1,255 crores, corresponding to an increase in the originating traffic to about 235 million tons. The Third Plan as finalised provides for an upward revision in the quantities of coal movement, the setting up of Bokaro Steel Plant and the construction of a port at Haldia in West Bengal. The target of freight movement, placed at 245 million originating tons in the Third Plan, will be materially exceeded on account of movement of coal from collieries to washeries preceding their movement from the washeries to their final consumers. The question of increasing the Railways' Capital programme in the Plan which at present is Rs. 1,325 crores is now under consideration. This amount includes Railways' own contribution towards expenditure on Capital works chargeable to Revenue, and to Depreciation Reserve Fund and Development Fund.

8. The problem of accidents on Railways has been engaging my earnest attention. Following the discussions in the Parliament after the unfortunate accidents at Ghatsila, Mainpuri and Kosgi during October/November, 1961, a Committee has been constituted, with Dr. H. N. Kunzru as Chairman, four Members of Parliament and two technical experts. The terms of reference of the Committee are to

(i) consider the question of accidents on Indian Railways,
(ii) suggest measures by which they can be further minimised. The Committee has started its deliberations.

9. Railways are the largest single employer in the country and stand committed to a policy of progressive improvement in the measures of welfare for staff. Residential accommodation for the staff continues to be augmented at the rate of about 11,000 quarters every year. The number of beds

added in Railway Hospitals, health units and chest clinics was 780, including 109 T.B. beds in approved sanatoria in 1960-61, and 180, including 72 T.B. beds in approved sanatoria-since April, 1961. Railway Schools and Railway aided schools and subsidised hostels for the children of railway employees, holiday homes for staff-including the one which is being set up in Srinagar, schemes financed from the Staff Benefit Fund, such as handicraft centres for the benefit of families of railwaymen and scholarships to children of railway employees for technical education, have all continued to function with increasing usefulness. In addition to financing staff welfare measures from Railway Revenues, a "Railway Minister's Welfare and Relief Fund" has recently been set up, under the management of the Ministry of Railways, to be fed from voluntary donations of railwaymen or others and from proceeds of special entertainment shows organised by Railwaymen, etc. The Fund is meant to provide assistance to employees, or to dependents of deceased employees left in straitened circumstances, in cases in which the normal rules cannot provide relief or cannot provide adequate relief. Grants have been given in some 20 individual cases so far, from out of a collection to the Fund of about Rs. 2,25,000. On the occasion of the recent centenary celebrations of the Railway Workshop at Jamalpur, I also donated Rs. 25,000 from the Fund, for the collective rehabilitation of railway staff and their families in this area who had been badly hit by the unprecedented floods of 1961. The staff had, through their own splendid efforts, raised a sum of Rs. 10,000 for the same cause.

10. I am glad to say that the staff relations during the year have been generally cordial and satisfactory. I feel confident that, with the courage, devotion to duty and patriotism, of all ranks of Railwaymen, Indian Railways will progress from strength to strength in the years to come and will successfully discharge the responsibilities placed on their shoulders.

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